



21st REPORT AND ACCOUNTS
1996-97



**NORTH EASTERN ELECTRIC
POWER CORPORATION LIMITED**

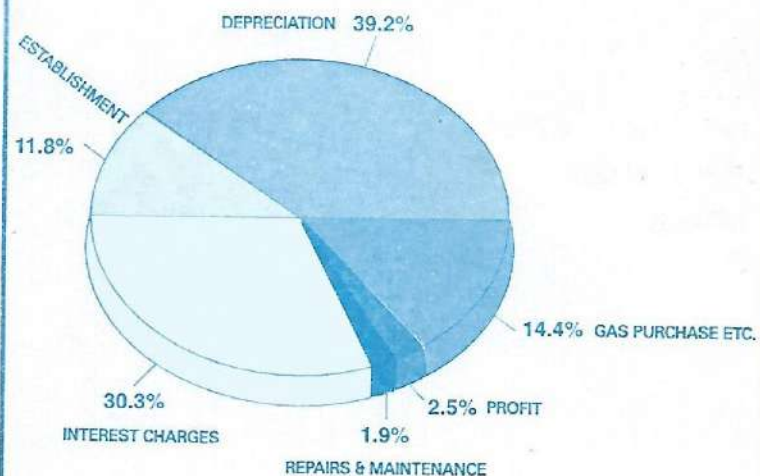
(A Government Of India Enterprise)

"BROOKLAND COMPOUND"

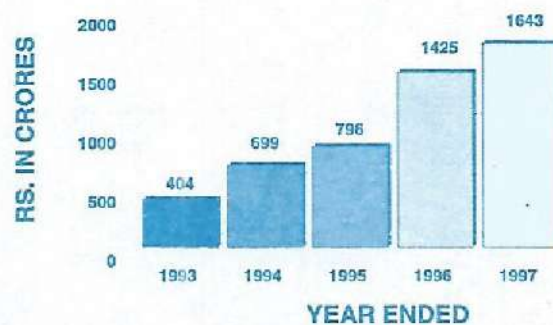
Lower New Colony

Laitumkhrah, Shillong - 793 003

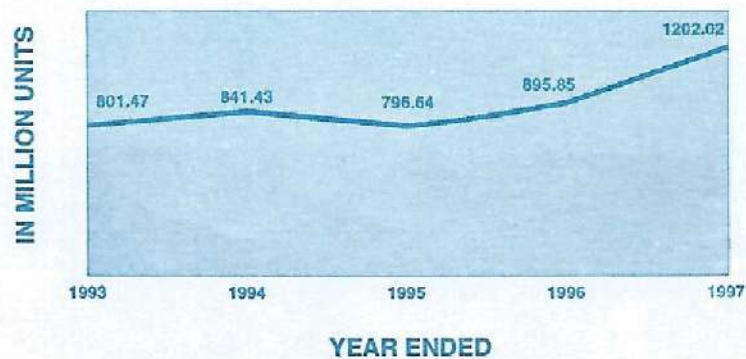
DISTRIBUTION OF REVENUE (1996-1997)



NET WORTH



NET SALES



21 St
REPORT AND ACCOUNTS
1996-97



NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED
(A Govt. of India Enterprise)



Chairman & Managing Director

Shri P. K. Kotoky

Directors

Shri P. K. Chatterjee
Shri S. B. Dey
Shri Sudhakar Rao (Upto 3.11.96)
Smt. Dipali Khanna (Upto 27.7.97)
Shri Vijoy Kumar
Shri B. K. Mishra (Upto 17.2.97)
Shri B. K. Bal (Upto 3. 8. 97)
Shri H. Sema
Shri Pulak Deb

Shri N. N. Singh
Shri J. Vasudevan (From 4.11.96)
Shri S. R. Shivrain (From 28.7.97)
Smt L. Tochhong
Shri S. K. Srivastava
Shri B. V. P. Rao (From 18.2.97)
Shri R. Lodh (From 4.8.97)
Shri Liansanga

Company Secretary

Shri D. N. Chakrabarty

Bankers

State Bank of India
Bank of India
United Bank of India
Central Bank of India
Union Bank of India

Canara Bank
Bank of Baroda
Indian Overseas Bank
Punjab National Bank
Vijaya Bank

Statutory Auditor

M/s. U. C. Majumder & Co.
Chartered Accountants
Shillong

Registered Office
"BROOKLAND COMPOUND"
Lower New Colony
Laitumkhrach, Shillong - 793 003

CHAIRMAN'S SPEECH



Gentlemen,

It gives me immense pleasure to welcome you all to the 21st Annual General Meeting of your Company.

As you pause and take stock of the year that was, we are yet into another year of challenges, which demands continuous commitments of

rededication in the crucial transformation phase of the economy of the nation.

THE PRIME MOVER :

When I look back at our footprints on this marathon runway of ups and downs, we can see how your organisation has been marching forward in the interest of the society at large to establish new pathways and paradigms on which development strategies can be built and sustained. Truly, many a milestones have been crossed adding feathers to our credentials and throws higher challenges towards this endless progression of performance and confidence bestowed with your Corporation.

ISSUES, OPTIONS & CHALLENGES :

The turn of the wheel to the 21st Century promises to be dramatically different. NEEPCO, therefore, is prepared to lead the way in meeting the challenges of new millennium and contemplates to emerge with new vision of hope in order to be one of the leading organisations, which calls for management of integration and differentiation paradox.

With the liberalisation of the Indian economy, your organisation contemplates to metamorphose the qualities of a leader with innovative, competitive and profit oriented logistics and today is imbued with the work ethos of zeal to excel and speed up response are all set to emerge as a front

runner in power industry, which has no option but to contribute their best in the context of alarming increase in the demand for power in the coming days.

As my Directors will read on the achievements of your company before you for your consideration and adoption, I would only like to emphasise on the two decades of contribution of NEEPCO to the Power Sector. From a humble beginning with the commissioning of 150 MW Kopili Hydro Electric Project, we have grown today to 450 MW and meeting around 35% of peak demand of the region. This 450 MW comprises 250 MW of Kopili Hydro Electric Project including 100 MW of Kopili 1st Stage Extension Project and 200 MW of Assam Gas-based Power Project. The 405 MW Ranganadi Hydro Electric Project, the 75 MW Doyang Hydro-Electric Project, 84 MW Agartala Gas Turbine Power Project and the remaining 90 MW of Steam Turbine of Assam Gas based Power Project have slipped the time schedule on account of several severe problems and are likely to be completed within a year or so. In spite of various continued constraints, which are predominantly prevalent in this region, this success was made possible due to sustained efforts of its mission on continuous and collective use of the four key parameters i. e. Strategy, Process, People and Technology, which needs to be excelled when the country moves from command economy to open economy.

With this approach, your Corporation is today poised to take up more projects during 9th and 10th Plan and has drawn up ambitious programme to make use of the vast hydro power potential of this region in particular as well as gas resources. Today Tuirial Hydro Electric Project and Tuivai Hydro Electric Project in Mizoram are already in the pipeline and surely confirms the determined manifestation of your growing organisation. Study reveals that the peak demand of the region will have an increasing trend in the coming years and will have a progressive shortfall of 26% approximately even during 2006-07. However, apart from the capacity addition and satisfying the need of the region, your Corporation cannot escape from the greater role of strengthening the power system equation of the nation when the hydro power at a cheaper rate of this region can mitigate the crisis of power. This is imperative that the hydro power is



the source of this region accounts for 41% of the country's potential and approximately only 2% of which has been harnessed so far.

Despite the worthy achievements in the yesteryears, I am of the opinion that your Corporation could have contributed furthermore in the power development programme but in view of the major economic reforms and structural changes in the Government Policies by reducing the budgetary support for the on-going projects, encouraging and generating internal resources and bridging the gap by borrowings from the market has influenced the cost and completion schedule of the project. Due to poor response from the market in mobilising fund through Bond issues, the Corporation is of the opinion that without Central Government funding either in the form of IEBC or NBS in the ratio of 1:1 debt / equity (equity being released first), it will be difficult to face the challenges effectively. Also, lack of infrastructure, transport bottlenecks, insurgency and poor pace of industrial developments, have acted as deterrent to the completion schedule of the Project. The financial health of the Corporation can be further improved when the beneficiary States clear up their outstanding dues with much desired promptitude, which still continue to be quite lacking in spite of various constant mitigative measures.

You may perhaps be aware that the share of power in the N. E. States as decided by MOP is based on Gadgil Formula. Since N. E. States are taking only peak loads from the gas power stations, the Corporation proposes to give more free hand to sell the power outside the region for which the evacuation network of POWERGRID through the CHICKEN-NECK AREA of the region needs to be strengthened. When it comes up, there will be further opportunity to improve the hydro-thermal mix. However, POWERGRID is drawing up the strategies for evacuation of 5,000 MW of power from the N. E. Region by 2006 - 07 apprehending the considerable hike in the power demand of the country.

There has been poor response in the private sector participation of power development programme in this region. Under the circumstances, NEEPCO has no option but to embark on developing strategies to harness the vast hy-

dro potential with critical analysis of evacuating the power in the neighbouring countries as well.

In order to phillip to all these, your Corporation already a step ahead to the future when it carried out NEEPCO - A VISION OF HOPE 2006 - 07 exercise in the form of a Corporate Plan with various other allied exercises to improve the efficiency of human resource and formulate certain strategies with the prime motto to remain and excel for excellence in the power harnessing programme of the region.

MISSION :

In the fast changing business environment, the success of your Corporation largely depends on the clear focus of mind to diversify, continuous improvement in the efficiency and urge to change before it becomes difficult. I am sure NEEPCO with its indomitable workforce and expertise will emerge as a winner while the wind carrying the message - "We can't afford to stop but to excel". We have a will with wings to fly.

Before I conclude, on your behalf and on my own, I would like to place on record the deep appreciation to you and everyone associated with us whose dedicated and sincere efforts have made it possible to develop NEEPCO as a leader through unique work culture- a culture of adaptability, resilience, willingness and challenges as it is evident from the progress and performance of yesteryears including that of the last year.

Thank you,

Dated, Shillong
19th September, 1997

(P. K. KOTOKY)
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 21st Annual Report of the North Eastern Electric Power Corporation Limited, together with the statements of Accounts and Auditors' Report for the year ended 31st March, 1997.

1. PERFORMANCE HIGHLIGHTS :

(A) FINANCIAL PERFORMANCE :

	(RS. IN CRORES)	
	1996-97	1995-96
Units Generated (MU)	1402.02	1043.28
1. Sales & Other Income (Net)	137.37	92.51
2. Gross Profit for the year	98.85	66.45
3. Depreciation	53.89	7.19
4. Interest & Finance charges :		
Interest on :		
i) Loans from Government of India	31.55	25.98
ii) Loans from Life Insurance Corporation of India	3.50	4.21
iii) Bonds	6.52	5.32
iv) Finance Charges on Bonds	0.01	-
5. Preliminary / deferred revenue expenditure written off.	-	0.01
6. Net Profit for the year	3.38	23.74
7. Prior period adjustment (Net)	6.60	2.14
8. Profit before tax	9.98	25.88
9. Provision for taxation	-	-
10. Profit after tax	9.98	25.88
11. Add Balance brought forward from last year	0.08	0.11
12. Profit available for appropriation	10.06	25.99
LESS :		
(a) Transfer to General Reserve	8.80	25.90
(b) Transfer to Capital Reserve	0.05	-
(c) Proposed Dividend	1.00	-
(d) Dividend Tax	0.10	-
(e) Balance carried over to Balance Sheet	0.11	0.09

The Board of Directors in their 95th Meeting held on 29.7.97 had duly adopted and approved the Annual Accounts of your Corporation for the year 1996-97 including the transfer of Rs. 8.80 Crores to General Reserve and Rs. 0.05 Crores to Capital Reserve. The Board also approved for payment of dividend of Rs. 1.00 Crores during the year 1996-97 (maiden dividend) subject to approval by the Central Govt. as per Section 205 (1) (c) of the Companies Act, 1956.

(B) SHARE CAPITAL AND LOAN

The Authorised Share Capital of your Corporation is Rs. 1500.00 Crores.

The total paid-up Capital and Loan was Rs. 1528.35 Crores and Rs. 1121.28 Crores as on 31.3.97 respectively. Loan from Govt. of India including capitalisation of interest stood at Rs. 625.56 Crores as on 31.3.97. An amount of Rs. 22.00 Crores was raised as Loan from Life Insurance Corporation of India during the year. The debt servicing is regular for LIC loan and bonds. A substantial part of interest on loan from the Govt. was also liquidated during the year.

(C) GENERATION

During the year 1996-97, Kopili & Khandong Power House of Kopili Hydro Electric Project have generated 871.98 MU against the target of 806.00 MU. This is, more than the actual generation in 1995-96, which was 707.26 MU.

The actual generation from the Assam Gas Based Combined Cycle Power Project during 1996-97 is 530.04 MU against a target of 910 MU. The shortfall was mainly due to the reasons of inadequate grid demand, non-availability of gas and certain technical problems in the gas boosting station which have been taken care of recently. However, all the Gas Turbine Generating sets have been commissioned and are under commercial generation.

The net earning in terms of sale of power from Kopili H. E. Project was Rs. 42.92 Crores and that of Assam Gas Based Power Project was Rs. 89.96 Crores during 1996-97.



II. PROJECT UNDER OPERATION :

KOPILI HYDRO ELECTRIC PROJECT (150 MW)

Both the Power Stations under this Project i. e. Khandong Power Station (2 x 25 MW) and Kopili Power Station (2 x 50 MW) have been under operation when one unit of the later was shut down w. e. f. Dec'96 due to Stator Earth fault and have generated 871.98 MU against the target of 806 MU during 1996-97.

Default in payment of outstanding dues by ASEB continues to remain a serious concern for the Company during 1996-97. During the year, Rs. 36.24 Crores was received against the sale of power to ASEB. Out of which, Rs. 22.24 Crores was received as deduction by the Govt. of India from the Central Assistance to the Govt. of Assam. The outstanding dues as on 31.3.97 for sale of Power to ASEB alone stood at Rs. 108.92 Crores. The total outstanding dues to your Corporation stood at Rs. 177.38 Crores as on 31.3.97 as against Rs. 100.93 Crores as on 31.3.96. A disturbing trend in fast snoballing of other States' dues are also evident. However, sustained efforts are on for realisation of outstanding dues as far as possible.

On receipt of instruction from Govt. of India to the effect that "Current dues would be met in full from the month of March'94 onwards for which purpose SEBs and other consuming states shall open irrevocable L. C. in favour of their suppliers to the tune of 105% of their parts of average monthly billing", a request was made to all the beneficiary States for opening of irrevocable L. C. The matter is being pursued with the respective States in order to conclude the same as early as possible. Till date no L. C. was opened by any of the SEBs.

Power Purchase Agreement (PPA) for sale of power in respect of Kopili H. E. Project has also been concluded by all the States. In respect of AGBP Project, the same has been concluded by all the States.

III. PRESENT POSITION OF ON-GOING PROJECTS :

(A) DOYANG HYDRO ELECTRIC PROJECT (3X25 MW), NAGALAND :

All the major Civil works including Rock Fill Dam are going on in full swing. The construction of Diversion Tunnel has been completed and river water was diverted through this Tunnel in Dec '96. The boring of Water Conductor System has been completed. The fabrication of the steel liner had been also completed. The work of erection is going on as per schedule. In regard to Elect/Mech works, the progress is satisfactory. The Turbine units and Genera-

tor associated items were ordered and are being received in phases. In the case of Turbines, most of the materials are received. Erection of T. G. units are in progress. The Generator Transformers have been manufactured and since despatched by the supplier which are on the way to Project site. Against Revised Plan Allocation of Rs. 101.00 Crores during the year 1996-1997, Rs. 60.00 Crores was released under net Budgetary Support and Rs. 25.00 Crores and Rs. 16.00 Crores were raised through Bond and LIC Loan respectively.

For the year 1997-98, the approved Plan allocation stands at Rs. 50.00 crores which has been proposed to NEC for revision to Rs. 90.00 Crores. Due to certain constraints beyond the control of the Management, the commissioning of all the units may not be possible as planned. The revised commissioning schedule is detailed below: Unit - I - 03/98, Unit - II - 09/98, Unit - III - 10/98.

(B) RANGANADI HYDRO ELECTRIC PROJECT (3X135 MW) ARUNACHAL PRADESH :

The infrastructural works had since been completed excepting Doimukh Hoz road which is under progress. The main Tunnel of 10.263 KM length passing through uncertain geological strata is one of the major critical activities of the Project. Geological problems have been overcome by restricted blasting, rock bolting and shotcreting. One main Adit with 2 (two) working faces thus making total 8 (eight) working faces, is opened to augment the progress of boring of HRT. The cumulative progress of boring and concreting of HRT is 9.3 KM (approx) and 91.339 M³ respectively on 03/97. Surge shaft was made through on 08.02.97. Construction of U/S & D/S Cofferdams are completed and water had since been diverted through the Diversion Tunnel. Excavation for main Dam is in progress. The cumulative excavation completed for main Dam is 4,90,260.00 M³ on March '97. Concreting in river bed portion has started and is in progress.

Work order for fabrication and erection of Steel Liner was issued and mobilisation of the contractor at site is in progress. All BQ plates for the Steel Liner have since been procured and handed over to the firm. Fabrication work of 2915 MT has also been started by the firm.

In regard to civil works of Power House, Excavation of Pit is completed. Detailed work order for Power House Building was issued and the work is in progress. D. T. Liners for Unit-I & II are erected and welded. Work on Unit-I is concreted, Unit-II is ready for concreting. Manufacture of T. G. sets is in progress. All embedded parts of T. G. Equipments, D. T. Liner and PIT Liner of all units are despatched. Foundation parts for all units are being despatched.

in phases. The order for, testing and commissioning is placed. All G. Ts have been manufactured, tested and despatched and stored at Guwahati for further transportation. Against Revised Plan Allocation of Rs. 175.47 Crores (actual receipt) for the year 1996-97, an amount of Rs. 144.47 Crores was released by NEC as Net Budgetary support and Rs. 25.00 Crores and Rs. 6.00 Crores were raised through Bond and LIC respectively. The Plan Allocation for 1997-98 is Rs. 120.00 Crores which has been proposed to NEC for revision to Rs. 150.00 Crores.

(C) ASSAM GAS BASED COMBINED CYCLE POWER PROJECT (291 MW), ASSAM :

All the Gas Turbine Generating sets were commissioned and are under commercial operation. The cumulative generation since inception upto March'97 is 865.82 MU.

All the Steam Turbine Generating sets are supplied and erection works are in progress. ST-I was rolled on Barring Gear on 30.3.97. In ST-II-55% works completed and ST-III-30% works completed. Supply of WHRB are completed and erection works are in progress. In the erection works of WHRB, upto date progress is : U # I - 80%, U # II - 81% U # III - 80%, U # IV - 63%, U # V - 63% and U # VI - 34%, 89% works of Cooling water and Raw Water Intake well completed. Out of 20 KM Pipe Line, 18.74 KM Line, is welded and 17.26 KM is laid. 99% excavation and 91% concreting of Cooling Tower and Water Treatment Plant are completed and erection works in progress. Against revised Plan Outlay of Rs. 109.29 Crores for the year 1996-97, an amount of Rs. 109.29 Crores has been received as External Assistance routed through Budget.

For the year 1996-97, the Allocation of Rs. 83.00 Crores was made for the project as Gross Budgetary Support. Revised Cost Estimate of Rs. 1347.57 Crores (April '96 Price level) was submitted for approval for which CCEA clearance is since obtained.

(D) KOPI H. E. PROJECT (1ST STAGE EXTENSION) (2 X 50 MW) ASSAM :

All works of Power House Building and fabrication & erection of Penstock have been completed. The 1st unit of 50 MW i. e. Unit - III was successfully synchronised on 5. 3. 97 and 2nd Unit of 50 MW i. e. Unit - IV was successfully rolled on 29.3.97 and synchronised with the grid.

The revised approved Plan Allocation of Rs. 24.00 Crores for the year 1996-97 has been received during the year as Net Budgetary Support.

The Plan Allocation for 1997-98 stands at Rs. 25.00 Crores.

(E) AGARTALA GAS TURBINE PROJECT (84 MW), AGARTALA :

All land required for the project (141.86 acres) has since been acquired from the Govt. of Tripura. For supply of Natural Gas to the Project site, contract has been signed with M/s. GAIL. All the 4(four) Nos. GTG Units supplied by M/s. E.G.T. Germany reached Agartala.

There are 3 (three) major Civil Packages in addition to supply and Erection of Electrical/Mechanical Equipments and Building/Road works. 100% of Colony and main Plant road and 80% building works are completed.

a) Package-I, consisting of Pile foundations and concreting have since been completed.

b) In Package-II, works, which comprises of fabrication and erection of Steel Structures, up to date progress of fabrication is 1350 MT and erection is 1300 MT, out of a total quantity of 1410 MT.

c) Package-III, works, comprising of construction of Power House building and Auxiliary works, Detailed work order has been issued. So far 21500 Cum of excavation and 4196 Cum of concreting have been completed. Roofing work is in progress. All the Generator Transformer have been received at site. GT Foundations are completed and erection works are in progress.

Detailed purchase order for Station Auxiliary Transformer is placed and despatch clearance given. For Relay and Control Panel, LOI is issued.

Supply orders for 6.6 KV HT Panel and 415 V Switchgear were issued and materials received. Supply order for Power cable and Control cable were issued and all materials received at site.

Detailed order for EOT Crane is issued and the Cranes have reached site. For 220 V Switchyard Battery, procurement action being taken. LOI for 2x1.5 MVA 6.6 KV/415 V Transformer is issued and drawings are under scrutiny. For Plant Communication System, materials are received.

In the civil works of Switchyard (supply & erection), out of 6700 Cum of excavation, 2900 Cum has been completed. In concreting 225 Cum has been achieved out of 1300 Cum.

The approved Plan Allocation was Rs. 77.11 Crores for the year 1996-97. The approved Plan Allocation for the year 1997-98 is Rs. 73.28 Crores.

IV. INVESTIGATION SCHEMES :

With a view to have new projects for execution in future, it is proposed to continue/takeup the following Survey and Investigations. In 1997-98, a provision of Rs. 2.00



Crores has been kept to continue with the work of following investigation works.

- a) Papumpam H. E. Project (100 MW).
- b) Continuation of H/M Data Collection for Ranganadi H. E. Project Stage - II (100 MW)
- c) Continuation of H/M Data Collection for Dikrong H. E. Project (100 MW)
- d) Pakke H. E. Project (25 MW)
- e) Upper Lohit H. E. Project (500 MW)
- f) Dhaleswari H. E. Project (120 MW)

V. NEW SCHEMES :

The following new Schemes are being considered for execution during 1997-98 for which proposals are being formulated.

1. Tuirial H. E. Project (60 MW) - Mizoram
2. Tuivai H. E. Project (210 MW) - Mizoram
3. Kameng (600 MW)/ Dikrong (100 MW)/ RHEP Stage-II (100 MW)/ Sissori (225 MW) in Arunachal Pradesh and Kolodyne (90 MW) in Mizoram
4. Kopili H. E. Project - Stage-II (25 MW) - Assam
5. Lower Kopili H. E. Project (150 MW) - Assam.

VI. ORGANISATION :

(A) As an effort to make NEEPCO a competitive and more viable organisation and as directed by the Board, the Indian Institute of Management, Lucknow, was assigned with the work of Organisational Restructuring Plan. IIM has since submitted its report which is under implementation as per guidelines given by your Board of Directors.

Total employees as on 31.3.97 stood at 3040 as against 2997 as on 31.3.96.

Special Recruitment Drive has been launched to fill up vacant post of SC and ST as per guidelines issued by Govt. of India and 10 Nos. of SC, 2 Nos. of ST employees have been recruited in group 'A'.

(B) TRAINING AND DEVELOPMENT :

Considering the importance of Human Resource Development, special emphasis was given to Training and Development during the year 1996-97.

Total number of 277 employees have been trained in various fields which includes 97 executives, 19 supervisors and 111 workmen. Out of the 97 executives trained during the year, 13 attended training programmes abroad under various schemes i. e. Training Programmes at the workshop of M/s. EGT. Essen, Germany and under EPDCI, Japan etc.

The Training Programme for workman included months' operators training programme for 27 Operators with the help of Assam Engineering Institute, Guwahati, 1 months Stenographer training for 28 LDCs and three months Typist training programme for 10 Messengers, both with the help of Don Bosco Technical School, Shillong.

(C) INDUSTRIAL RELATIONS :

Industrial Relations in the Corporation have remained healthy and peaceful through out the year. No mandays were lost on account of Industrial Relations. Various issues were discussed with Unions and Associations time to time and resolved amicably.

Medical attendance Rules, T.A./D.A. Rules, NEEPCO Promotion Policy and Rules have since been revised as approved by the Board of Directors as a step towards planned changes to be brought in the organizational structure of your Corporation.

(D) WELFARE ACTIVITIES :

Some of the worth mentioning welfare activities have been undertaken by the Corporation during the year 1996-97.

- (i) Participation of NEEPCO Women Welfare Association's office bearers/members to the 7th National Women's Day celebration organised by WIPS during 12th & 13th February, 1997.
- (ii) Subsidised NEEPCO Canteen is opened at the rate Office from April, 1996. The Canteen is running satisfactorily.

(iii) Schools - Kendriya Vidyalayas upto Class X are functioning at KHEP, RHEP and DHEP. K. G. Schools are also functioning at all the projects. At AGBPP, schooling facilities available with various schools at Dulhajan and at Delhi Public School at Digboi have been arranged.

(iv) SPORTS ACTIVITIES :

1. NEEPCO Cricket Team participated in the All India Public Sector East Zone Cricket Tournament at Ranchi and in the 4th P.S.U. Cricket Tournament at Punjab.

A Cricket Coaching camp was organised at Guwahati under the supervision of Mr. Umrongso and subsequent at Guwahati under the supervision of Mr. coach prior to the Tournaments.

2. NEEPCO participated in the All Assam Athletics Competition during June, 1996.

VII. USE OF HINDI :

The Corporation has been continuing the implementation of the Official Language Policy of the Government of India.

at its Corporate Office as well as in the other project sites and offices.

Efforts were made to issue the documents referred to in Section 3 (3) of the Official Language Act, bilingually. Annual Report and Project Reports were prepared in bilingual i.e. in Hindi and English. Incentive Scheme as per the Govt. of India's directives have been implemented. Officers and Employees were sent for Hindi training under the Hindi Teaching Scheme, Shillong. Employees of the Project sites were encouraged to learn Hindi through correspondence courses.

'HINDI PAKHWARA' was observed during the year at Corporate Office 'HINDI DIWAS' was also celebrated and Hindi workshops were organized in all the projects as well as subordinate offices and various competitions were also arranged. Regular inspections of subordinate offices/projects offices were made.

At Corporate Office, employees are made acquainted with one word of Hindi every day under the programme of "TODAY'S WORD".

NEEPCO has been honoured with Rashtriya Rajbhasha Shield by Rashtriya Hindi Academy, Rupambara in the 9th All India Official Language Conference for its achievement in the implementation of Hindi. The Ministry of Power has also awarded Third Prize to NEEPCO for its efforts to implement Hindi.

VIII. AUDITORS' REPORT :

M/s. U. C. Mazumder & Co., Chartered Accountants, Shillong was appointed as Statutory Auditors for the year 1996-97, the Report of the Statutory Auditors and Comments of the Comptroller and Auditor General of India thereon are enclosed at annexure-I & II.

The review of the Comptroller & Auditor General of India on the Accounts of North Eastern Electric Power Corporation Ltd., under Section 619 (4) of the Companies Act are furnished at Annexure - III.

IX. PARTICULARS OF EMPLOYEES :

Information as required under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and Companies (Particulars of Employees) Amendment Rules, 1994 vide Notification G. S. R. 752 (B) dt. 17.10.1994 is enclosed at Annexure-IV.

X. VIGILANCE ACTIVITIES :

As per directive of the Central Vigilance Commission, action plan on Anti-corruption and Vigilance measures have been taken. Complaints received are regularly monitored and where prima facie evidence were found, investigations have been carried out. Also, emphasis is given

on the aspect of preventive vigilance.

XI. DIRECTORS :

S/Shri G. B. Sarma, B. K. Mishra, Sudhakar Rao, B. K. Bal and Smt. Dipali Khanna have since ceased to be the Directors of the Corporation. The Board of Directors placed on record the deep appreciation for the valuable services rendered by all the Directors.

S/Shri J. Vasudevan, S. R. Shivrain, B. V. P. Rao, and R. Lodh were appointed as Part-time Directors of this Corporation.

XII. CONSERVATION OF ENERGY :

Particulars required under Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report regarding Conservation of Energy / Technology absorption and foreign exchange earnings and outgo during the financial year 1996-97 is enclosed at Annexure - V.

XII. ACKNOWLEDGEMENT :

The Directors are grateful to the various Ministries of the Govt. of India, particularly the Ministry of Power, Ministry of Home Affairs, Ministry of Environment and Forest, Department of Public Enterprises, Department of Economic Affairs, North Eastern Council, Central Electricity Authority, Central Water commission, Central Soil and Material Research Station, Geological Survey of India, Survey of India and the North Eastern Regional Electricity Board for their continued co-operation and assistance.

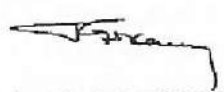
The Directors expressed their sincere gratitude to the Governments of Assam, Meghalaya, Manipur, Mizoram, Nagaland, Tripura, Arunachal Pradesh for the co-operation and help extended by them.

Thanks are also due to the Bankers, the Statutory Auditors, the commercial Audit Wing of the Comptroller and Auditor General of India and the Registrar of Joint Stock Companies.

Last but not the least, the Directors wish to place on record their high appreciation for the dedicated efforts made by all sections of employees of the Corporation to achieve the goals set for the Corporation.

For and on behalf of the Board of Directors

Dated, Shillong
19th September, 1997


(P. K. KOTOKY)
Chairman & Managing Director



BALANCE SHEET AS AT 31ST MARCH, 1997

(Rs. in Thousands)

PARTICULARS	Schedule No.	As at 31st March, 1997	As at 31st March, 1996
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Capital	1	1528,35,23	1317,29,57
Reserves and Surplus	2	130,64,01	121,76,57
LOAN FUNDS			
Secured Loans	3	487,99,04	431,20,60
Unsecured Loans		<u>633,28,55</u>	<u>466,30,01</u>
		1121,27,59	897,50,61
TOTAL		<u>2780,26,83</u>	<u>2336,56,75</u>
APPLICATION OF FUNDS			
FIXED CAPITAL EXPENDITURE			
FIXED ASSETS			
Gross Block	4	922,40,49	893,80,50
Less Depreciation to date		<u>128,80,42</u>	<u>70,04,48</u>
Net Block		793,60,07	823,76,02
Advance towards Land		8,73,60	34,35,58
Capital Work-in-progress	5	1479,52,13	1004,14,88
Construction stores and advances	6	<u>334,78,92</u>	<u>393,69,76</u>
		2616,64,72	2255,96,24
<i>Carried over</i>		2616,64,72	2255,96,24

BALANCE SHEET AS AT 31ST MARCH, 1997

(Rs. in Thousands)

PARTICULARS	Schedule No.	As at 31st March, 1997	As at 31st March, 1996
<i>Brought forward</i>		2616,64,72	2255,96,24
CURRENT ASSETS, LOANS AND ADVANCES	7		
Inventories		3,54,22	3,12,22
Workshop Work-in-progress		9,74	8,93
Sundry Debtors		177,38,33	100,93,15
Cash & bank balances		73,26,10	49,63,44
Loans and advances		11,51,43	9,63,99
		265,79,82	163,41,73
Less :			
CURRENT LIABILITIES AND PROVISIONS	8		
Liabilities		104,41,13	86,47,92
Provisions		5,65,15	7,98,40
		110,06,28	94,46,32
NET CURRENT ASSETS		155,73,54	68,95,41
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	9	7,88,57	11,65,10
TOTAL		2780,26,83	2336,56,75

Schedules 1 to 14, Balance Sheet abstract and Company's General Business Profile, Annexure 1 & 2, Notes on Accounts and Accounting Policies form an integral part of the Accounts.

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Chartered Accountants
29th July, 1997



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1997

(Rs. in Thousands)

PARTICULARS	Schedule No.	For the year ended 31st March, 1997	For the year ended 31st March, 1996
INCOME			
<i>SALES</i>			
Energy		138,69,36	97,24,01
Less Free Supply of Energy		5,81,64	4,77,90
Net Sales			
Other Income	10	4,49,43	5,14
TOTAL INCOME		137,37,15	92,51,25
EXPENDITURE			
Purchase of Gas		15,97,34	6,79,75
Lubricants, Oil etc		25,79	19,99
Transportation Charges of Gas		63,90	26,39
Electricity Duty		3,63	2,64
Employees Remuneration and benefits (including Arrear Salary of Rs. 311.99 Thousand)		8,45,99	5,41,68
Generation & Administration expenses	11	13,15,06	13,36,11
Depreciation		53,89,49	7,19,06
Interest & Finance charges			
Interest on :			
i) Loans from Government of India		31,54,98	25,98,33
ii) Loans from Life Insurance Corporation of India		3,49,63	4,21,15
iii) Bonds		6,52,52	5,31,77
iv) Finance Charges : On Bonds		1,13	-
		41,58,26	35,51,25
<i>Carried over</i>		133,99,46	68,76,87

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1997

PARTICULARS	Schedule No.	(Rs. in Thousands)	
		For the year ended 31st March, 1997	For the year ended 31st March, 1996
<i>Brought forward</i>		133,99,46	68,76,87
Deferred revenue expenditure written off		4	50
TOTAL EXPENDITURE		133,99,50	68,77,37
Profit for the year		3,37,65	23,73,88
Prior Period Adjustment (Net)	12	6,59,79	2,13,70
Profit before Tax		9,97,44	25,87,58
Provision for Taxation		-	-
Profit after Tax		9,97,44	25,87,58
Balance brought forward from last year		8,44	11,18
Transferred to General Reserve		8,80,00	25,90,00
Transferred to Capital Reserve		5,16	32
Proposed Dividend		1,00,00	-
Dividend Tax		10,00	-
Balance carried over to Balance Sheet		10,72	8,44

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29th July, 1997



STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

Registration No.

				1	6	5	8
--	--	--	--	---	---	---	---

Balance Sheet

3	1
---	---

0	3
---	---

9	7
---	---

Date Date Month Year

State Code

1	3
---	---

II CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN THOUSANDS)

Public Issue

		N	I	L			
--	--	---	---	---	--	--	--

Rights Issue

		N	I	L			
--	--	---	---	---	--	--	--

Bonus Issue

			N	I	L		
--	--	--	---	---	---	--	--

Private Placement

			N	I	L		
--	--	--	---	---	---	--	--

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN THOUSANDS)

Total Liabilities

	2	8	9	0	3	3	1	1
--	---	---	---	---	---	---	---	---

SOURCES OF FUNDS

Paid-up Capital

	1	5	2	8	3	5	2	3
--	---	---	---	---	---	---	---	---

Secured Loans

4	8	7	9	9	0	4
---	---	---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets

2	6	1	6	6	4	7	2
---	---	---	---	---	---	---	---

Net Current Assets

1	5	5	7	3	5	4
---	---	---	---	---	---	---

Accumulated Losses

	N	I	L			
--	---	---	---	--	--	--

IV. PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)

Turnover (including other income)

1	3	7	3	7	1	5
---	---	---	---	---	---	---

Total Assets

	2	8	9	0	3	3	1	1
--	---	---	---	---	---	---	---	---

Reserves and Surplus

1	3	0	6	4	0	1
---	---	---	---	---	---	---

Unsecured Loans

6	3	3	2	8	5	5
---	---	---	---	---	---	---

Investments

		N	I	L			
--	--	---	---	---	--	--	--

Misc. Expenditure

7	8	8	5	7
---	---	---	---	---

Total Expenditure

1	3	3	9	9	5	0
---	---	---	---	---	---	---

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

+ - Profit / (Loss) Before Tax

✓				9	9	7	4	4	
---	--	--	--	---	---	---	---	---	--

(Please tick appropriate box + for profit, - for loss)
Earnings Per Share (Rs.)

1	2	.	2	1
---	---	---	---	---

+ - Profit / (Loss) After Tax

✓				9	9	7	4	4	
---	--	--	--	---	---	---	---	---	--

Dividend Rate (%)

0	.	1	2	2
---	---	---	---	---

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (AS PER MONETARY TERMS) - GENERATION OF ELECTRICITY

Item Code No. (ITC Code)

		N	A			
--	--	---	---	--	--	--

Item Code No. (ITC Code)

		N	A			
--	--	---	---	--	--	--

Item Code No. (ITC Code)

		N	A			
--	--	---	---	--	--	--

Product Description

		N	A		
--	--	---	---	--	--

Product Description

		N	A		
--	--	---	---	--	--

Product Description

		N	A		
--	--	---	---	--	--

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INCIDENTAL EXPENDITURE DURING CONSTRUCTION FOR THE YEAR ENDED 31ST MARCH, 1997
(Rs. in Thousands)

PARTICULARS	Annexure No.	Schedule No.	For the year ended 31st March, 1997	For the year ended 31st March, 1996
A. GENERAL ADMINISTRATION EXPENSES				
Salaries, wages, allowances & benefits (including Arrear Salary of Rs 169.63 Thousands)			9,69,20	6,94,43
Travelling expenses			68,04	54,55
Rent, rates & taxes			26,94	21,65
General expenses	1		3,59,81	2,52,01
Repairs & maintenance			21,52	10,25
Audit fees & expenses	2		1,04	1,32
Legal expenses			1,88	4,63
Insurance charges			3,07	3,96
Contribution to Provident fund & other welfare expenses			84,66	55,25
Entertainment expenses			1,31	2,38
Advertisement expenses			12,62	6,90
Publicity expenses			6,47	6,67
Board's meeting expenses			88	1,65
Filing fees			1	4,98
Depreciation			72,71	23,53
Prior Period Adjustment		13	(1,38,29)	2,25,59
Loss of cash			-	-
			<u>14,91,87</u>	<u>13,69,75</u>
Less: Non operating receipts :				
Interest on Investment			2,55,85	10,91
Others			<u>42</u>	<u>42</u>
			<u>2,56,27</u>	<u>11,33</u>
Net expenditure			<u>12,35,60</u>	<u>13,58,42</u>
Less: Expenditure charged to:				
Profit & Loss Account			4,05,07	7,00,26
Generation expenses (Construction)			<u>8,30,53</u>	<u>6,58,16</u>

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INCIDENTAL EXPENDITURE DURING CONSTRUCTION FOR THE YEAR ENDED 31ST MARCH, 1997

(Rs. in Thousands)

PARTICULARS	Annexure No.	Schedule No.	For the year ended 31st March, 1997	For the year ended 31st March, 1996
B. GENERATION EXPENSES (CONSTRUCTION)				
Salaries, wages, allowances & benefits (including Arrear Salary of Rs 453.63 Thousand)			14,17,13	7,66,96
Travelling expenses			43,88	31,56
Rents, rates & taxes			5,61	3,33
General expenses	1		15,67,97	11,36,42
Repairs & Maintenance			2,42,11	2,39,51
Depreciation			4,41,41	5,09,26
Legal expenses			1	53
Insurance charges			2,12,92	85,99
Prior Period Adjustment		14	(1,05,69)	21,95
Tender expenses			17,04	42,21
INTEREST & FINANCE CHARGES :				
a) Interest on :				
i) Government of India			46,25,04	19,54,42
ii) Government of India (O.E.C.F.)			1,03	42,30
iii) Life Insurance Corporation of India			11,83,35	10,41,89
iv) Bonds			23,80,39	21,50,71
v) Deutsche Bank			3,71,78	2,46,22
			85,61,59	54,35,54
OTHER FINANCE CHARGES :				
a) Management Fees			-	26,62
b) Guarantee Fees			1,35,44	1,61,04
c) Commitment Fees			11,10	-
d) Loan Expenses			17,56	22,08
			1,64,10	2,09,74
Wealth Tax			29	2,61
Entertainment expenses			1,23	2,74
Brokerage on SLR Bonds			27,16	14,65
Contribution to P. F. etc.			1,21,62	49,14
Share of General Administration Expenses			8,30,53	6,58,16
			135,48,91	92,10,30
Less i) Non-operating receipts on interest on advances from Suppliers / Contractors			97,76	1,06,14
ii) Others			3,05	24,02
			1,00,81	1,30,16
Net Expenditure			134,48,10	90,80,14
Less Expenditure transferred to				
a) Deposit Work			-	-
b) Capital Work-in-progress			134,48,10	90,80,14

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29th July, 1997



**CAPITAL
SCHEDULE - 1**

(Rs. in Thousands)

As at
31st March, 1997

As at
31st March, 1996

AUTHORISED CAPITAL

1,50,00,000 (Previous year
1,50,00,000) Equity Shares
of Rs. 1,000/- each

1500,00,00

1500,00,00

**ISSUED, SUBSCRIBED AND
PAID-UP-CAPITAL**

81,67,041(Previous year
32,63,307)Equity Shares
of Rs. 1,000/- each

816,70,41

326,33,07

Amount received towards Share
Capital pending allotment
including capitalisation of
interest

711,64,82

990,96,50

TOTAL

1528,35,23

1317,29,57

RESERVE & SURPLUS
SCHEDULE - 2

(Rs. in Thousands)

	As at 31st March, 1996	Additions	Adjustments	As at 31st March, 1997
Capital Reserves	8,06	5,16	-	13,22
General Reserves	113,31,00	8,80,00	-	122,11,00
Grant-in-Aid	8,25,27	-	-	8,25,27
Pre-incorporation Adjustment A/C	3,80	-	-	3,80
Surplus as per Profit & Loss A/C	8,44	2,28	-	10,72
TOTAL	121,76,57	8,87,44	-	130,64,01



LOAN FUNDS

SCHEDULE - 3

(Rs. in Thousands)

	As at 31st March, 1997	As at 31st March, 1996
A. SECURED LOANS		
Loans from Life Insurance Corporation of India (secured through mortgage against related fixed assets).	124,32,67	113,63,67
BONDS : MARKET BORROWING PROGRAMME : (Guaranteed by the Govt. of India)		
BONDS - 1st SERIES		
12.5% (Taxable) Non cumulative Bonds redeemable at par on 19th December 2004 in one instalment.	50,00,00	50,00,00
BONDS - 2nd SERIES		
14% (Taxable) Non cumulative Bonds (1st tranche) Redeemable at par on 1st November 2005 in one instalment.	18,25,60	18,25,60
14% (Taxable) Non cumulative Bonds (2nd tranche) Redeemable at par on 17th January 2006 in one instalment.	20,01,10	20,01,10
14% (Taxable) Non cumulative Bonds (3rd tranche) Redeemable at par on 12th March 2006 in one instalment.	<u>11,73,30</u>	<u>11,73,30</u>
	50,00,00	50,00,00
BONDS - 3rd SERIES		
13.85% (Taxable) Non cumulative Bonds (1st tranche) Redeemable at par on 19th August 2006 in one instalment.	23,32,40	-
13.75% (Taxable) Non cumulative Bonds (2nd tranche) Redeemable at par on 20th January 2007 in one instalment.	<u>26,67,60</u>	<u>-</u>
	50,00,00	-
BONDS : PRIVATE PLACEMENT :		
BONDS - 1st ISSUE :		
15% (Taxable) Non cumulative secured redeemable non-convertible Bonds of Rs 1000 each. Redeemable at par on 31st March, 2001 in one instalment	23,00,00	23,00,00
10.5% (Taxable) Non cumulative secured redeemable non-convertible Bonds of Rs 1000 each. Redeemable at par on 31st March, 2001 in one instalment	<u>20,50,00</u>	<u>20,50,00</u>
(Both these Bonds are secured by equitable mortgage by deposit of Title Deeds of fixed assets of Kathalguri Gas Based Power Project, Assam ranking pari-passu)	43,50,00	43,50,00
<i>Carried Over</i>	317,82,67	257,13,67

LOAN FUNDS

SCHEDULE - 3

(Rs. in Thousands)

	As at 31st March, 1997	As at 31st March, 1996
<i>Brought forward</i>	317,82,67	257,13,67
BONDS - 2nd ISSUE :		
13.5% (Taxable) Non cumulative secured redeemable, non-convertible Bonds of Rs 1000 each. Redeemable at par on 31st December, 2001 in one instalment	9,80,00	9,80,00
10.5% (Tax free) Non cumulative secured redeemable, non-convertible Bonds of Rs 1000 each. Redeemable at par on 31st December, 2001 in one instalment	<u>69,00,00</u>	<u>69,00,00</u>
(Both these Bonds are secured by equitable mortgage by deposit of Title Deeds of fixed assets of Kathalguri Gas Based Power Project, Assam ranking pari-passu)	78,80,00	78,80,00
BONDS - 3rd ISSUE :		
10.5% (Tax free) Non cumulative secured redeemable, non-convertible Bonds of Rs 1000 each. Redeemable at par on 19th November, 2002 in one instalment (Secured by negative lien on the fixed assets of Doyang Hydro Electric Project, Nagaland ranking pari-passu)	2,50,00	2,50,00
Loan from Deutsche Bank (Guaranteed by Govt. of India)	88,86,37	92,76,93
TOTAL Secured Loans (A)	487,99,04	431,20,60
B. UNSECURED LOANS		
Loans from Government of India including capitalisation of interest	625,56,47	459,80,13
Interest accrued and due thereon	7,72,08	6,49,88
TOTAL Unsecured Loans (B)	633,28,55	466,30,01
GRAND TOTAL (A+B)	1121,27,59	897,50,61



FIXED ASSETS
SCHEDULE- 4

	GROSS BLOCK			
	As at 1st April, 1996	Additions during the year	Sales/ Adjustments during the year	As at 31st March, 1997
A) ASSETS (OPERATION & MAINTENANCE)				
I) HYDRAULIC POWER PLANT & TRANSMISSION LINE				
Building and Civil engineering works containing generation plant & equipment, main plant	52,30,54	-	(15,49)	52,15,05
Hydraulic works including Dams, Dykes, Reservoirs, Tunnels	146,62,84	-	-	146,62,84
Plant & Machinery in generating stations	40,24,60	-	-	40,24,60
Transformer having a rating of 100 K.V. ampere and above	5,10,07	-	-	5,10,07
Sub-station equipment and other fixed apparatus	2,85,62	-	-	2,85,62
Switchgear including cable connection	16,22,28	-	-	16,22,28
Transmission Lines	1,60,07	-	-	1,60,07
Gas Plant :				
Gas Turbine	442,40,76	-	(82,63)	441,58,13
Gas Booster Station	94,57,47	-	(20,95)	94,36,52
TOTAL (I)	801,94,25	-	(119,07)	800,75,18

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

(Rs. in Thousands)

D E P R E C I A T I O N			N E T B L O C K	
As at 1st April, 1996	Depreciation for the year including adjustment	Upto 31st March, 1997	As at 31st March, 1997	As at 31st, March, 1996
7,68,66	2,65,08	10,33,74	41,81,31	44,61,88
17,75,49	3,01,68	20,77,17	125,85,67	128,87,35
9,97,79	1,36,84	11,34,63	28,89,97	30,26,81
1,85,34	39,99	2,25,33	2,84,74	3,24,73
1,08,48	22,39	1,30,87	1,54,75	1,77,14
1,04,12	1,27,19	2,31,31	13,90,97	15,18,16
81,06	12,55	93,61	66,46	79,01
-	36,45,44	36,45,44	405,12,69	442,40,76
-	7,79,30	7,79,30	86,57,22	94,57,47
40,20,94	53,30,46	93,51,40	707,23,78	761,73,31

Note :- Decrease to Plant and Machinery includes Rs. 119.62 Lakhs due to foreign exchange fluctuation.



FIXED ASSETS
SCHEDULE - 4

	GROSS BLOCK			
	As at 1st April, 1996	Additions during the year	Sales/ Adjustments during the year	As at 31st March, 1997
2. GENERAL ASSETS (OPERATION & MAINTENANCE)				
Buildings	3,77,71	-	-	3,77,71
Furniture & Fixtures	21,97	1,59	-	23,56
Roads, Bridges, Culverts & Helipad	3,42,00	-	-	3,42,00
Vehicles	1,00,80	-	(1,00)	99,80
Railway Siding	10,65	-	-	10,65
Electrical Installation	79,07	-	-	79,07
Temporary Buildings/ Erections	1,52,54	-	(13,18)	1,39,36
Hospital Equipment	2,69	-	-	2,69
Tools & Plants	2,75,54	11,99	(79)	2,86,74
Office Equipment	13,59	2,29	3,57	19,45
Other Equipment	46,79	-	-	46,79
Water supply, sewerage & drainage	41,32	-	-	41,32
Plant & Machinery in Generating Station (Diesel Power House)	7,65	-	-	7,65
Communication Equipment	1,72	-	-	1,72
Lightning Arrestor (Pole Type Magazine Building)	41	-	-	41
Telephone Line	39,14	-	-	39,14
Plantation	11,69	-	-	11,69
Land & Land Rights	40	-	-	40
TOTAL (2)	15,25,68	15,87	(11,40)	15,30,15
GRAND TOTAL (1+2)	817,19,93	15,87	(1,30,47)	816,05,33

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

(Rs in Thousands)

DEPRECIATION			NET BLOCK	
As at 1st April, 1996	Depreciation for the year including adjustment	Upto 31st March, 1997	As at 31st March, 1997	As at 31st March, 1996
1,23,84	11,41	1,35,25	2,42,46	2,53,87
15,66	1,44	17,10	6,46	6,31
66,77	10,33	77,10	2,64,90	2,75,23
89,58	24	89,82	9,98	11,22
3,36	32	3,68	6,97	7,29
64,31	(3,41)	60,90	18,17	14,76
1,37,29	(11,87)	1,25,42	13,94	15,25
2,17	4	2,21	48	52
1,88,15	6,19	1,94,34	92,40	87,39
10,53	96	11,49	7,96	3,06
37,67	1,49	39,16	7,63	9,12
12,02	1,25	13,27	28,05	29,30
6,89	-	6,89	76	76
1,24	22	1,46	26	48
37	-	37	4	4
26,38	4,83	31,21	7,93	12,76
-	-	-	11,69	11,69
-	-	-	40	40
7,86,23	23,44	8,09,67	7,20,48	7,39,45
48,07,17	53,53,90	101,61,07	714,44,26	769,12,76



FIXED ASSETS
SCHEDULE 4

	GROSS BLOCK			
	As at 1st April, 1996	Additions during the year	Sales/ Adjustments during the year	As at 31st March, 1997
B) ASSETS (CONSTRUCTION & OTHERS)				
Buildings	18,03,84	6,60	-	18,10,44
Furniture & Fixtures	1,99,99	37,48	-	2,37,47
Roads, Bridges, Culverts & Helipad	4,93,88	79	-	4,94,67
Vehicles	2,78,52	10	(10)	2,78,52
Electrical Installations	1,82,40	1,02	-	1,83,42
Temporary Buildings/ Erections	10,65,15	-	-	10,65,15
Hospital Equipment	81	33	-	1,14
Tools & Plants	29,62,50	2,39,33	1,86	32,03,69
Office Equipment	1,24,46	60,87	-	1,85,33
Water supply, sewerage & drainage	55,16	11	-	55,27
Plant & Machinery in Generating Station (Diesel Power House)	2,22,52	24,49	-	2,47,01
Communication Equipment	41,50	3,90	-	45,40
Plant & Machinery	1,37	-	-	1,37
Transmission Line	72,79	-	-	72,79
Land & Land Rights	10,15	25,88,52	-	25,98,67
Telephone Line	10,04	-	-	10,04
Other Equipment	1,35,49	9,18	11	1,44,78
TOTAL (B)	76,60,57	29,72,72	1,87	106,35,16
GRAND TOTAL (A+B)	893,80,50	29,88,59	(1,28,60)	922,40,49
PREVIOUS YEAR	309,72,65	583,51,58	56,27	893,80,50

Depreciation for the period is allocated as given below :

	Current Year	Previous Year
Profit and Loss Account	53,89,49	7,19,06
Incidental Expenditure during Construction	5,14,12	5,32,79
TOTAL	59,03,61	12,51,85

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

(Rs. in Thousands)

DEPRECIATION			NET BLOCK	
As at 1st April, 1996	Depreciation for the year including adjustment	Upto 31st March, 1997	As at 31st March, 1997	As at 31st March, 1996
69,47	54,48	1,23,95	16,86,49	17,34,37
74,58	25,13	99,71	1,37,76	1,25,41
46,93	14,92	61,85	4,32,82	4,46,95
2,36,98	10,65	2,47,63	30,89	41,54
12,18	22,14	34,32	1,49,10	1,70,22
8,68,43	89,94	9,58,37	1,06,78	1,96,72
28	10	38	76	53
6,41,26	2,32,55	8,73,81	23,29,88	23,21,24
47,19	14,74	61,93	1,23,40	77,27
3,08	1,58	4,66	50,61	52,08
1,07,55	28,42	1,35,97	1,11,04	1,14,97
17,12	4,85	21,97	23,43	24,38
79	7	86	51	58
15,71	5,71	21,42	51,37	57,08
-	-	-	25,98,67	10,15
3,39	1,29	4,68	5,36	6,65
52,37	15,47	67,84	76,94	83,12
21,97,31	5,22,04	27,19,35	79,15,81	54,63,26
70,04,48	58,75,94	128,80,42	793,60,07	823,76,02
57,69,65	12,34,83	70,04,48	823,76,02	-



CAPITAL WORK-IN-PROGRESS
SCHEDULE - 5

(Rs. in Thousands)

	As at 1st April, 1996	Additions during the year	Adjustment during the year	Capitalised during the year	As at 31st March, 1997
Buildings	9,80,44	7,08,93	-	-	16,89,37
Temporary Buildings/Erections	5,70,36	58,97	48,91	-	6,78,24
Roads, Bridges, Culverts & Helipads	23,59,72	1,30,58	74,63	-	25,64,93
Electrical Installation	2,61,27	75,58	(1,22,29)	-	2,14,56
Sub-station & other fixed apparatus	1,08,82	1,59,97	(9,37)	-	2,59,42
Water supply, sewerage & drainage	1,73,85	73,91	(12,25)	-	2,35,51
Hydraulic Works including Dams, Dykes etc.	130,54,38	65,00,34	97,03	-	196,51,75
Other Civil Works	66,52,42	28,45,28	(2,93,14)	-	92,04,56
Power House	22,93,13	32,87,83	(16,83)	-	55,64,13
Switchgear including cable connection	18,34	2,44,65	(11)	-	2,62,88
Plant & Machinery in Generating Station (Diesel Power House)	23,10	-	-	-	23,10
Plantation	12,37	11,10	-	-	23,47
Transmission Line	1,70,11	29,41	23,55	-	2,23,07
Transformer having a rating of 100KV ampere and above	41,30	9,99,16	8,84	-	10,49,30
Survey & Investigation	53,84	22,72	1,13,76	-	1,90,32
Telephone Line	26,69	1,16	-	-	27,85
Weigh bridge under installation	2,73	10,24	-	-	12,97
Railway siding	1	-	-	-	1
Communication system	8,71	84	-	-	9,55
Gas Booster Station Plant etc. in	44,70,35	-	(10,48)	-	44,59,87
Generating Station.	468,81,70	189,67,54	(34)	-	658,48,90
Incidental Expenditure during Construction	222,51,24	134,48,10	59,03	-	357,58,37
TOTAL	1004,14,88	475,76,31	(39,06)	-	1479,52,13

CONSTRUCTION STORES & ADVANCES
SCHEDULE - 6

(Rs in Thousands)

	As at 31st March, 1997	As at 31st March, 1996
A) CONSTRUCTION STORES		
i) General Stores (at cost as certified by the Management)	44,18,88	36,07,76
ii) Stores at Sites	<u>1,75,72</u>	<u>1,57,34</u>
	45,94,60	37,65,10
B) ADVANCE FOR CAPITAL EXPENDITURE		
Unsecured considered good		
1. Advance to Suppliers, Contractors and others		
i) Against bank guarantee	37,34,05	9,19,11
ii) Others	<u>243,02,03</u>	<u>328,00,07</u>
	280,36,08	337,19,18
2. Advance against Steel & Cement		
	8,48,24	18,85,48
TOTAL	334,78,92	393,69,76



CURRENT ASSETS, LOANS & ADVANCES **SCHEDULE - 7**

(Rs. in Thousands)

	As at 31st March, 1997	As at 31st March, 1996
A. CURRENT ASSETS (at cost as certified by the Management)		
1. Inventories		
a) Stores & Spares	3,54,22	3,12,22
b) Work-in-progress	<u>9,74</u>	<u>8,93</u>
	3,63,96	3,21,15
2. Sundry Debtors		
(Unsecured considered good)		
Debts outstanding for a period		
exceeding six months, considered good	105,10,63	40,15,70
Considered doubtful	86,25	86,25
Other debts	<u>72,27,70</u>	<u>60,77,45</u>
	178,24,58	101,79,40
Less Provision for doubtful debts	<u>86,25</u>	<u>86,25</u>
	177,38,33	100,93,15
3. Cash & Bank Balance		
a) Short term deposits with		
Scheduled Banks	59,00,00	12,60,00
b) Balance with scheduled		
Banks	14,11,63	32,79,48
c) Cash, Stamps & Imprest	4,47	20,96
d) Remittances in transit	<u>10,00</u>	<u>4,03,00</u>
	73,26,10	49,63,44
B. LOANS & ADVANCES : (Unsecured considered good unless otherwise stated by the Management)		
Advances recoverable in cash or in kind or for value to be received		
a) Accounts receivable considered good	1,63,11	1,14,49
Considered doubtful	<u>2,02</u>	<u>2,02</u>
	1,65,13	1,16,51
Less provision for doubtful debts	<u>2,02</u>	<u>2,02</u>
	1,63,11	1,14,49
b) Advance to Staff	2,32,33	2,08,74
c) Prepaid Expenses	3,53,85	2,96,50
d) Deposits with other Authorities	3,20,66	3,17,28
e) Other Advances	46,08	17,28
f) Tax deducted at source	35,40	9,70
g) Fixed Assets destroyed by fire	13,84	13,84
Less Provision	<u>(13,84)</u>	<u>(13,84)</u>
	11,51,43	9,63,99
TOTAL	265,79,82	163,41,73

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

CURRENT LIABILITIES & PROVISIONS SCHEDULE - 8

(Rs. in Thousands)

As at 31st March, 1997

As at 31st March, 1996

A. CURRENT LIABILITIES

Sundry Creditors

For Capital Expenditure	27,03,53	27,47,50
Operation & Maintenance	9,80,53	10,87,18
Other Liabilities	<u>14,87,02</u>	6,58,58
	51,71,08	44,93,26
Deposits, retention money from Contractors & others	8,76,26	4,08,19

Interest accrued but not due on loans from :

a) Govt. of India	31,27,43	26,01,25
b) Life Insurance Corporation of India	3,08,38	3,18,65
c) Bonds	8,59,55	7,09,16
d) Deutsche Bank	<u>98,43</u>	1,17,41
	43,93,79	37,46,47

TOTAL (A)

104,41,13

86,47,92

B. PROVISIONS

For Gratuity	2,69,05	7,70,71
For Ex-Gratia	2,02	7,26
For Wealth Tax	26	29
For Guarantee Fees	4,89	-
For Leave Encashment	1,42,66	-
For Employee's Welfare Scheme	36,27	20,14
For Proposed Dividend	1,00,00	-
For Income Tax on proposed Dividend	10,00	-

TOTAL (B)

5,65,15

7,98,40

TOTAL (A+B)

110,06,28

94,46,32



MISCELLANEOUS EXPENDITURE
(To the extent not written off or adjusted)
SCHEDULE - 9

	As at 31st March, 1997	(Rs. in Thousands) As at 31st March, 1996
A. Preliminary expenses	17,85	4,11,52
B. Deferred revenue expenditure	1,26,50	1,09,19
C. DEPOSIT WORKS :		
1. Dikrong Inv. Scheme	2,02,55	2,02,56
2. Damwee Inv. Scheme	2,54,60	2,54,78
3. Kameng Inv. Scheme	45,73	45,72
4. Papumpam Inv. Scheme	68,93	68,93
5. RHEP (Stage - II)	38,80	38,79
6. Tuvai Inv. Scheme	15,01	15,01
7. Papu Inv. Scheme	18,60	18,60
TOTAL	7,88,57	11,65,10

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

OTHER INCOME SCHEDULE - 10

	For the year ended 31st March, 1997	(Rs. in Thousands) For the year ended 31st March, 1996
Miscellaneous receipts	2,83	4,82
Interest on Sale of Power	4,41,44	-
Profit on Sale of assets	5,16	32
TOTAL	4,49,43	5,14

GENERATION AND ADMINISTRATIVE EXPENSES SCHEDULE - 11

	Annexure No.	For the year ended 31st March, 1997	(Rs. in Thousands) For the year ended 31st March, 1996
GENERATION EXPENSES :			
1. Repairs & Maintenance			
a) Roads & Buildings		47,61	30,66
b) Power House		1,69,67	51,59
c) Hydraulic Works		4,77	3,62
d) Line & Sub-station		49	7,06
e) Others		38,26	29,89
ADMINISTRATION EXPENSES :			
2. Travelling Expenses		14,69	13,56
3. Advertisement Expenses		2,79	3,33
4. Contribution to P. F.		63,41	40,86
5. Insurance Charges		2,84,97	2,26,17
6. Rents, rates & Taxes		1,43	1,04
7. Entertainment Expenses		44	30
8. General Expenses		2,81,40	2,27,20
9. Legal Charges	1	-	4
10. Wealth Tax		6	53
11. Share of General Establishment (as per statement of Incidental Expenditure during Construction)		4,05,07	7,00,26
TOTAL		13,15,06	13,36,11



PRIOR PERIOD ADJUSTMENT (OPERATION & MAINTENANCE)
SCHEDULE - 12

(Rs. in Thousands)

	For the year ended 31st March, 1997	For the year ended 31st March, 1996
A. INCOME :		
Free supply of Power	7,00,82	-
Purchase of Power	2,55,89	-
Interest on Central Govt. loan	-	2,46,76
Depreciation excess charge written back	14,40	11,08
Gratuity	1,78,42	-
Ex-gratia	14,04	-
Security Arrangement	-	14
Insurance	-	3,77
Maintenance of Power House	8,31	-
Maintenance of Penstock	-	4
Stipend to Trainees	-	21
TOTAL INCOME	11,71,88	2,62,00
B. EXPENDITURE :		
Salaries, wages, allowances & benefits	49	5,67
Leave encashment	26,47	4
Ex-gratia	-	26,66
Gratuity	16,27	-
Medical Facility	-	45
Transport Expenses	33	8
Honorarium	-	1,27
Travelling expenses	7	11
Printing & Stationery	6	21
Security Arrangement	27	-
Social Welfare	-	29
Electricity duty	62	-
Purchase of Gas	4,45,70	-
Loan Expenses (Bonds)	1,13	-
Maintenance of Power House	15,49	7,24
Maintenance of Hydraulic Works	92	52
Maintenance of others	15	-
Maintenance of Roads & Buildings	2,19	1,32
Sale of Power	1,93	-
Overtime allowance	-	92
L. T. C. Expenses	-	28
Rent, Rates & Taxes	-	3,24
TOTAL EXPENDITURE	5,12,09	48,30
PRIOR PERIOD ADJUSTMENT (NET INCOME)	6,59,79	2,13,70

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

PRIOR PERIOD ADJUSTMENT (GENERAL ADMINISTRATION)
SCHEDULE - 13

	(Rs. in Thousands)	
	For the year ended 31st March, 1997	For the year ended 31st March, 1996
A. INCOME :		
Interest on Investment	-	79
Gratuity	1,83,46	-
TOTAL INCOME	1,83,46	79
B. EXPENDITURE :		
Salaries & Allowances	-	2,18,93
Leave Encashment	43,20	12
Conveyance Allowance	63	10
Travelling Expenses	-	65
Interest on Investment	14	-
Ex-gratia	-	6,46
Interest Subsidy	7	-
Rents, rates and taxes	50	12
Communication Expenses	47	-
Repair & Maintenance	16	-
TOTAL EXPENDITURE	45,17	2,26,38
PRIOR PERIOD ADJUSTMENT		
(NET INCOME)	1,38,29	-
(NET EXPENDITURE)	-	2,25,59



PRIOR PERIOD ADJUSTMENT (GENERATION-CONSTRUCTION)
SCHEDULE - 14

(Rs. in Thousands)

	For the year ended 31st March, 1997	For the year ended 31st March, 1996
A. INCOME :		
Gratuity	1,96,92	-
TOTAL INCOME	1,96,92	-
B. EXPENDITURE :		
Salary	32,94	1,09,28
Ex-gratia	(9,71)	17,58
Depreciation	85	2,75
Interest on G.O.I. Loan	-	(1,09,85)
Medical Expenses	1,13	62
Leave Encashment	37,28	29
Inauguration Expenses	-	68
Advertisement Expenses	-	60
Travelling Expenses	9	-
Transport Expenses	53	-
Repairs & Maintenance	76	-
Loan Expenses	4,69	-
Interest on Advances excess provided in earlier years written back	22,67	-
TOTAL EXPENDITURE	91,23	21,95
PRIOR PERIOD ADJUSTMENT (NET INCOME)	1,05,69	-
(NET EXPENDITURE)	-	21,95

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

GENERAL EXPENSES

ANNEXURE : 1

(Rs. in Thousands)

	Operation and Maintenance		Incidental Expenditure during construction			
	For the period ended		General Administration		Generation (Construction)	
	31st March, 1997	31st March, 1996	For the year ended		For the year ended	
			31st March, 1997	31st March, 1996	31st March, 1997	31st March, 1996
Leave Travel concession	31,37	26,34	33,92	17,91	37,38	60,92
Leave encashment	17,04	6,51	28,54	16,24	35,31	8,70
Transport expenses	56,39	42,71	80,25	42,17	1,58,67	1,18,47
Printing & Stationery	8,58	6,36	28,66	35,30	27,30	18,00
Postage & Telegram	20	14	2,25	2,46	56	37
Medical expenses	21,63	19,56	44,20	33,58	62,13	51,36
Licence & registration	2,37	1,64	67	2,27	94	1,36
Papers & Periodicals	44	45	1,81	97	1,02	82
Uniform & Liveries	4,09	2,68	1,48	87	4,81	4,82
Honorarium	14	23	1,76	1,19	30	18
Electric & Water charges	31,91	33,04	21,96	13,67	4,34,52	1,02,46
Bank charges	28	17	3,81	3,61	13,29	9,45
Social welfare	16,31	20,37	22,00	2,48	85,53	24,84
Consultancy charges	0	0	6,95	5,90	4,28,15	5,96,11
Security arrangement	28,04	21,85	2,92	1,08	2,31,69	1,09,30
Training expenses	1,60	87	7,95	1,98	48	40
Staff recruitment expenses	0	5	2,30	1,81	-	8
Hospital facilities	42,65	35,47	-	-	31	1,66
Subscription & Membership fees	0	-	59	80	-	-
Communication expenses	12,15	5,87	48,86	39,25	32,35	12,98
Office furnishing	61	35	3,99	8,92	2,23	62
Miscellaneous Expenses	2,32	1,74	12,83	16,55	7,56	8,21
I.B. Expenses	3,05	21	1,48	2,24	2,65	3,79
Laboratory & Meter Testing Charges	10	8	29	16	63	57
Photographic Records	13	17	34	55	16	46
Workman Compensation (D&M)	0	34	-	-	-	49
Loss of stock written off	-	-	-	5	-	-
TOTAL	2,81,40	2,27,20	3,59,81	2,52,01	15,67,97	11,36,42

AUDIT FEES & EXPENSES

ANNEXURE : 2

(Rs. in Thousands)

	For the year ended 31st March, 1997	For the year ended 31st March, 1996
Audit Fees	30	20
Tax Audit Fees	7	7
Other Services	6	13
Other Expenses	61	92
TOTAL	1,04	1,32



NOTES ON ACCOUNTS

1. Estimated amount of contract remaining to be executed on capital account and not provided for is Rs 346,91.78 lakhs(previous year Rs. 406,07.67 lakhs) .
2. In the opinion of the management, the value on realisation of current assets, loans and advances in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
3. In the absence of taxable income, no provision has been made for taxation.
4. Balance shown under Loans from Life Insurance Corporation of India, Deutsche Bank, Government of India, Advances, Staff Advances, Debtors, Creditors. Materials in transit / with contractors / issued on loan are subject to confirmation / reconciliation and consequential adjustment, if any.
- 5.(A) Break up of expenditure on employees in receipt of remuneration (inclusive of arrears on pay revision w. e. f. 1.1.92) in the aggregate at the rate of not less than Rs. 3,00,000/- (Previous year Rs. 3,00,000/-) per year if employed for full year or not less than Rs. 25,000/- (Previous year Rs. 25,000/-) per month, if employed for part of the year.

(Rupees in lakhs)

	Current year (1996-97)		Previous year (1995-96)	
	Employed throughout the year	Employed for part of the year	Employed throughout the year	Employed for part of the year
Number of Employees	42	2	4	1
Salary and allowances	127.29	5.97	11.20	1.69
Contribution to Provident Fund and other funds	9.90	0.47	1.00	0.17
Other benefits	7.89	0.93	1.69	0.20

- (B) Employees' remuneration and benefits include the following for the Directors including Chairman & Managing Director.

(Rupees in lakhs)

	Current year (1996-97)	Previous year (1995-96)
Salary and allowances	9.43	9.85
Contribution to Provident Fund and other funds	0.71	0.93
Other benefits	1.53	1.89

- (C) The remuneration of Employees and of Directors are exclusive of contribution under Group Insurance Scheme which is not ascertainable separately. In addition to the above remuneration, the whole time Directors have been allowed the use of staff car including for private journey on payment of Rs. 250/- per month in accordance with the provisions of B.P.E.'s Circular No. 2(18) PC/64 dated 20th November, 1964 as amended from time to time.
6. The accounts of the Corporation regarding Preliminary expenditure with Assam State Electricity Board for Rs 10.50 Lakhs and with Meghalaya State Electricity Boards for Rs. 2.37 Lakhs remain un-adjusted due to non receipt of detailed accounts from the respective Boards. The amount has been shown under "Advance to Contractors, Suppliers & others" in Schedule No. 6.

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

7. A sum of Rs. 8,73.60 lakhs (Previous year Rs. 34,35.38 lakhs) spent in connection with acquisition of land including land compensation and rehabilitation expenses booked in accounts under "Advance towards land" and has been exhibited under "Fixed Assets" under separate sub-head pending completion of legal formalities. The land is in the possession of the Corporation.

8. (a) Consequent upon allocation of share of power of Kopili Hydro Electric Project (with 12% free supply of power to the Home states as per Govt. of India decision) and Kathalguri Project to the various beneficiary states, sales are based on average tariff rate of Rs 1.1054 paise per unit.

(b) Sales include Rs. 30.72 lakhs (previous year Rs. 21.96 lakhs) being the cost of internal consumption of electricity.

9. Quantitative information in respect of generation & sales :-

	<u>Current year (1996-97)</u>	<u>Previous year (1995-96)</u>
Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity :		
Commercial Units	284.00 MW	284.00 MW
Retable Energy	1610.00 MU	1610.00 MU
Actual Generation	1402.02 MU	1043.28 MU
Sales including internal consumption but excluding free supply of power auxiliary consumption and transmission losses	1202.04 MU	895.85 MU

10. The difference in respect of Civil stores and Electrical stores between Priced Stores Ledger and Financial Ledger are under reconciliation. Similarly variation in respect of few items of stores are under reconciliation.

11. Contingent liabilities :

(Rs. in Lakhs)

	<u>As on 31. 3. 97</u>	<u>As on 31. 3. 96</u>
a) Claims against the Company not acknowledged as debt -	753.48	1768.75
b) Disputed Income Tax demand -	105.96	--
c) Others (Stamp duty on Bonds) -	187.20	187.20
	<u>1046.64</u>	<u>1955.95</u>

12.(a) Value of imports calculated on C.I.F. basis

(Rupees. in lakhs)

	<u>Current year (1996-97)</u>	<u>Previous year (1995-96)</u>
Capital equipment	8,21.64	184,77.23
(b) Expenditure in foreign currency		
i) Consultancy	330.48	337.33
ii) Interest	390.76	128.81
iii) Others	110.28	59.88

13. Stores include stores in transit Rs. 28.68 lakhs (previous year Rs. 1154.76 lakhs).

14. (a) The arrears of salary etc. on implementation of C.D.A. pattern of pay scales have mostly been paid except in few cases which are subject to final adjustment on settlement of disputes and the related liability could not be ascertained and provided for. Necessary adjustment will be made in the year of payment. Similarly, the arrears of salary etc. payable to certain category of employees on I.D.A. pattern of pay scales with effect from 1st January, 1989 as per approval of the Government of India, have been paid during the year except in few cases for which the matter is sub-judice. Necessary adjustment will be made in the year of payment.

(b) The arrears of salary consequent to the implementation of the revised IDA pay scales effective from January 1st, 1992



- has mostly been paid for all employees under I. D. A. pay scales. For employees who have not opted from the C. D. A. to the I. D. A. pay scales the liability cannot be assessed.
15. The formal order from the Ministry of Power for the reduction of Share Capital has already been received vide letter No. 7/6/96-Hydl-II dt. 19th September, 1996.
The Share holders in an Extra Ordinary General Meeting held on 21/3/97 approved by a Special resolution to reduce the paid-up share capital by Rs. 30.98 crores.
Application under section 101 of the Companies Act, 1956 for confirming the reduction of the paid-up Share Capital, has already been forwarded to the Company Law Board vide letter No.NEEPCO/SECY/8/87/VOL-I/1181 dt.16/4/97.
16. The Company has made a provision for proposed dividend amounting to Rs.100.00 Lakhs for the year 1996-97, (previous year-Nil) which is subject to approval of the Central Government under section 205 (1) (c) of the Companies Act 1956.
17. As per Accounting Policy, No. 16, during the 1996-97 no Capital Expenditure not represented by assets belonging to the Corporation has been allocated to other Capital Assets directly or indirectly benefited by such expenditure. (previous year Rs. 45.64 Lakhs).
18. a) There was a provision of Sundry Creditors amounting to Rs. 700.82 Lakhs existing in our Annual Accounts against Me. S.E.B. for entitlement of free power supply. Since Me. S.E.B. has not drawn the free power and there is no provision of payment in lieu of free power as per the Govt. order. The provision of the above Sundry Creditors has been withdrawn during the year 1996-97.
b) Similarly there was also an excess provision of Sundry Creditors amounting to Rs. 225.89 Lakhs against purchase of power from NHPC Ltd. at our Sales tariff rate. Since the tariff of NHPC Ltd. was lower and during negotiation with NHPC Ltd. their lower rate has been taken into account and payment has been settled accordingly and the said excess provision is withdrawn.
19. No Bond Redemption Reserve is created as the Management has adopted a moratorium period for the creation of such Reserve upto the date of full commencement of commercial production of a project in line with the Government guidelines.
20. The effect of foreign exchange fluctuation during the year is as under :-
a) The amount of exchange difference adjusted by reduction in the carrying amount of fixed assets is Rs 119.62 Lakhs.
b) The amount of exchange difference adjusted by reduction of Loan Liability of M/s Deutsche Bank, with corresponding reduction of capital work in progress to the tune of Rs. 738.66 Lakhs.
21. The Authorised Capital of the Corporation is Rs.1500,00,00 Lakhs. As on 31.03.97, the Corporation's total Issued Capital constituted 8167041 Nos of Equity Shares of Rs 1000/- each amounting to Rs 81670.41 Lakhs. A sum of Rs 71164.82 Lakhs received towards Share Capital is shown separately under the head "Issued, Subscribed & Paid-up Capital". Out of Rs 71164.82 Lakhs received against Share Capital formal order for issue of Shares amounting to Rs 3972.66 Lakhs was received upto 31 March 1997, which is being allotted during 1997-98. Steps are being taken to enhance the Authorised Capital accordingly.
22. The liability provision for gratuity as on 31st March '97 has been actuarially evaluated at Rs 269.05 Lakhs (discounted value) by an approved actuarial firm. The corporation had till the accounting year 1995-96 provided gratuity liability at Rs 770.71 Lakhs based on the amount determined by Life Insurance Corporation of India on future value. The said actuarial firm has also evaluated the gratuity liability on discounted value basis upto the year 1995-96 as Rs 228.17 Lakhs. The excess provision of Rs 542.54 Lakhs has been written back and adjusted through prior period during the year.
23. The formal order in respect of the rescheduling of Loan to equity of the Kopili Hydro Electric Project so as to conform to the financing pattern of Debt and Equity Ratio of 1:1 with element of Equity being released first and the cost of township to be financed by Equity was issued on 23rd June, 1997 by the Ministry of Home Affairs.
24. Previous year's figures have been regrouped, recast and re-arranged wherever possible and considered necessary.

D. N. CHAKRABARTY
Secretary cum
Legal Adviser

MALCOLM DAVID ROY
Financial Adviser &
Chief Accounts Officer
(ITS)

P. K. CHATTERJEE
Director (Finance)

P. K. KOTOKY
Chairman &
Managing
Director

D. MAJUMDAR
Partner
For & on behalf of
U. C. MAJUMDAR & CO.
Chartered Accountants
29th July, 1997

ACCOUNTING POLICIES

1. The Accounts are prepared on Historical Cost Basis.
2. Income and Expenses are accounted for on Mercantile Basis.
3. In the case of commissioned assets, where final settlement of bill with contractors is yet to be effected, capitalisation is made on provisional basis subject to necessary adjustment in the year of final settlement.
4. Fixed assets are stated at cost. Cost includes purchase price and any directly attributable costs of bringing the assets to working condition for the intended use. Assets and systems common to more than one generating unit are capitalised in the ratio of installed capacity.
5. The expenditure incurred on start-up and commissioning of the project, including the expenditure incurred on tests runs and experimental production, is capitalised as an indirect element of the construction cost. However after commencement of commercial production, the expenditure incurred is charged to revenue expenditure even though the contract stipulation provides for final taking over of the plant after satisfactory completion of the guarantee period.
6. Net expenditure common to Operation and Construction including Corporate Office expenses and Depreciation on General Assets are allocated to Operating Expenses and Incidental Expenditure during Construction in proportion to Sales to Capital outlay during the year.
Common Expenditure of an Operating Project and its extension is being apportioned on the basis of the cost as provided in the approved Project Cost estimate.
Common expenditure of a project which is partially in operation and partially under construction is being apportioned on the basis of the installed capacity.
Incidental expenditure during construction including depreciation and interest are allocated / apportioned to the project / works forming part of work-in-progress on the basis of accretion thereto during the year.
7. Provision for gratuity and leave encashment are made on actuarial basis.
8. Expenses on training, recruitment etc. are charged to revenue in the year of incurrence. Expenses on training for Plant Operations prior to the commissioning of a Project are treated as Deferred Revenue Expenditure to be written off to Revenue within 5 (five) years after commissioning of the Project.
9. Depreciation is being provided at the rates as per the Electricity (Supply) Act, 1948 as notified from time to time, from the year following that in which the assets became available for use. Where prescribed rate has not been laid down under the aforesaid Act, depreciation is being provided at the rates followed by the Electricity Boards/other PSUs Power Utilities on straight line method.
10. (a) Interest recoverable from Debtors on account of sale of electricity, as per agreement with the beneficiaries are accounted for on due basis.
(b) Claims, Liquidated damage, interest on advance to staff, co-operative societies etc., accounted for on receipt basis.
11. Grant-in-Aid received from Central Government through North Eastern Council towards capital expenditure on survey and investigation, for setting up seismological observatories, for training in diamond core drilling, fund received as deposit work and liabilities created on account of assets taken over on incorporation of the Corporation are being shown as Grant-in-Aid under Reserves & Surplus.



12. Expenditure on remedial and strengthening of units which were under operation are being treated as deferred revenue expenditure to be written off in five accounting years.
13. The approved pattern of financing of Government of India is 1:1 for equity and debt, the element of equity being released first. Interest during construction is also capitalised in the same approved pattern. The interest on loan for capital works chargeable to Profit and Loss account is ascertained on the same basis of approved debt equity ratio.
14. Claims for price variation / Bonus in case of contracts/supply/consultancy etc. are accounted for on acceptance of the bills.
15. Arbitration award for and against the Corporation is accounted for in the year of final settlement.
16. Capital Expenditure not represented by Assets and Capital expenditure on land not belonging to the Corporation is allocated to other capital assets which are directly or indirectly benefited by such expenditure.
17. Value of scrap is adjusted in the account as and when sold.
18. Stores and spares are valued at or under cost.
19. Contingent liabilities are generally not provided in the accounts and are separately shown in the Notes to the Accounts.
20. (a) Transactions in foreign currency related to assets and corresponding liabilities are accounted for at the prevailing year-end exchange rate. The difference if any arising out of Foreign Exchange Rate fluctuation between the actual transaction date and the year-end rate is adjusted to the concerned assets accordingly.

(b) The capitalisation of assets procured under foreign exchange contracts is effected by applying an average exchange rate to the foreign exchange value of individual assets. The average exchange rate is derived from the actual foreign exchange rates applicable on the dates of transactions together with the year-end rate of exchange applicable for the purpose of providing outstanding liabilities. The difference arising out of the foreign exchange rate fluctuation on the outstanding liabilities is adjusted to the concerned assets together with adjustment towards depreciation and other consequential impact, if any.

(c) The depreciation as a result of the foreign exchange gain/loss adjusted to the assets is charged prospectively as per Accounting Standard 11 of the I. C. A. I.
21. Prepaid expenses and prior period expenses/income of items of Rs 5000/- and below are charged to natural head of accounts.

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Chartered Accountants
29th July, 1997

ANNEXURE - I**AUDITORS' REPORT****Directors' Report****TO THE MEMBERS OF NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED**

We report that we have audited the Balance Sheet of North Eastern Electric Power Corporation Limited as at 31st March, 1997 and the relative Profit & Loss Account for the year ended on that date, both of which we have signed under reference to this report, which are in agreement with the books of accounts.

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government and on the basis of such checks as we considered appropriate and the information and explanations given to us during the course of audit, we further report that :

1. the company has generally maintained proper records to show particulars including quantitative details and situation in most cases of such assets. The fixed assets were, as explained to us, physically verified by the management at the year end and no serious discrepancies were noticed on such verification.
2. the fixed assets of the company have not been revalued during the year.
3. as explained to us, the stock of stores and spare parts have been physically verified by the management at the year end.
4. according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. the discrepancies noticed on verification between the physical stocks and book records which were not material, having regard to the size of the operation of the company.
6. in our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the preceding year.
7. the company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
8. the company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or to companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
9. in respect of loans and advances in the nature of loans to employees, where repayment terms have been stipulated, the payment of interest and repayment of principal has generally been made as per stipulation.
10. in our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of stores and spares including components, plant and machinery, equipment and other assets and for the sale of goods.



11. in our opinion and according to the information and explanations given to us, there were no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance to contract or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50000/- or more in respect of each party.
12. as explained to us, unserviceable or damaged stores and spares are generally determined by the company and provision has been made in the accounts.
13. the company has not accepted any deposit from the public.
14. in our opinion, reasonable records were maintained for the sale and disposal of scrap. The company has no by product.
15. in our opinion, the company has an overall internal audit system commensurate with the size and the nature of its business. However, it is felt that the internal audit system needs to be further strengthened.
16. the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the product of the company.
17. the company has regularly deposited provident fund dues with the appropriate authorities.
18. according to information and explanations given to us, and the records of the company examined by us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
19. according to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealthtax, Salestax, Customs Duty and Excise Duty which have remained outstanding as at 31st March, 1997 for a period of more than six months from the date they became payable.
20. the company is not a sick industrial company within the meaning of clause (O) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.

We also report that :

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books.
- (c) the Balance Sheet and Profit & Loss Account dealt with by the report are in agreement with the books of the company.
- (d) in our opinion and to the best of our information and according to the explanations given to us, the accounts subject to Note 16 regarding proposed dividend which is subject to approval of the Central Government and read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1997 and
 - (ii) in the case of the Profit & Loss Account, of the Profit for the year ended on that date.

29th July, 1997
Camp : New Delhi

D Majumdar
Partner
For and on behalf of
U C Majumdar & Co.
Chartered Accountants

ANNEXURE - II

Directors' Report

Comments of the Comptroller & Auditor General of India under Section 619 (4), of the Companies Act, 1956 on the Accounts of North Eastern Electric Power Corporation Ltd., Shillong for the year ended 31st March, 1997.

I have to state that the Comptroller & Auditor General of India has no comments upon or supplement to the Auditor's Report, under Section 619 (4) of the Companies Act, 1956 on the Accounts of North Eastern Electric Power Corporation Limited for the year ended 31st March, 1997.

Dated : Calcutta
The 9th September, 1997

(J. Chatterjee)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board - I
Calcutta.



ANNEXURE - III

Directors' Report

Review of the Accounts of North Eastern Electric Power Corporation Limited for the year ended 31st March, 1997 by the Comptroller & Auditor General of India.

Note : Review of Accounts has been prepared without taking into account comments under Section 619 (4) of the Companies Act, 1956 and qualification contained in the Statutory Auditor's Report.

1. Financial Position :

The table below summarises the financial position of the Company under broad headings for the last three years :-

	(Rs. in crores)		
	1994-95	1995-96	1996-97
Liabilities :			
a) Paid up Capital			
i) Government	713.32	1,317.30	1,528.35
ii) Others	-	-	-
b) Reserves & Surplus :			
i) Free Reserves & Surplus	87.52	113.39	122.22
ii) Capital Reserves	0.08	0.08	0.13
iii) Other Reserve	8.29	8.29	8.29
c) Borrowings :			
i) From Govt. of India	612.09	459.80	625.57
ii) From Financial Institutions	102.95	113.64	124.33
iii) Foreign Currency Loans	-	92.77	88.86
iv) Cash Credit	-	-	-
v) Others (Bonds)	172.30	224.80	274.80
vi) Interest accrued & Due	12.59	6.50	7.72
d) Current Liabilities and Provisions	49.41	94.46	110.06
Total:	<u>1,758.55</u>	<u>2,431.03</u>	<u>2,890.33</u>
Assets :			
e) Gross Block	309.73	893.80	922.40
f) Less : Depreciation	57.70	70.04	128.80
g) Net Block	252.03	823.76	793.60
h) i) Other Capital Expenditure	234.30	434.49	343.52
ii) Capital work-in-progress	1,080.97	1,004.15	1,479.52
i) Investment	-	-	-
j) Current Assets, Loan and Advances	186.85	163.42	265.80
k) Miscellaneous Expenditure not written off	4.40	5.21	7.89
Total :	<u>1,758.55</u>	<u>2,431.03</u>	<u>2,890.33</u>

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

l) Working Capital (j-d -c (vi))	124.85	62.46	148.02
m) Capital employed (g + j - d + c (vi))	376.88	886.22	941.62
n) Net Worth [a + b (I) -k]	796.44	1,425.48	1,642.68
o) Net Worth per Rupee of Paid up Capital (in Rs.)	Rs. 1.12	Rs. 1.08	Rs. 1.07

2. Ratio Analysis

Some important financial ratios on the financial health and working of the Company at the end of last three years are as under :

	1994-1995	1995-1996	1996-1997
	(In Percentage)		
A. Liquidity Ratio :			
Current ratio (Current assets to Current Liabilities and Provisions and interest accrued and due) (j/(d+c(vi)))	301	162	226
B. Debt Equity Ratio :			
Long term debt to Equity (c (i) to v but excluding short term loans)/)	111	63	67
C. Profitability Ratios :			
a) Profit before tax to			
i) Capital Employed	8.01	2.92	1.06
ii) Net Worth	3.79	1.81	0.60
iii) Sales	69.54	27.97	7.51
b) Profit after tax to Equity Capital	4.23	1.96	0.65
c) Earning per Share (In Rupees)	42.31	19.63	6.52

3. Sources and utilisation of funds :

Funds amounting to Rs. 506.10 crores from Internal and External sources were obtained / generated and utilised during the year as shown below :-

Sources of funds :

(a) Increase in Share Capital including pending allotment	(Rs. in crores)
(b) Increase in borrowed funds	211.05
(c) Decrease in Miscellaneous Expenses not written off	222.55
	3.77

Funds from operation :

Profit after tax	9.97
Add : Depreciation	58.76
	<u>68.73</u>
	<u>506.10</u>

Utilisation of Funds :

(a) Increase in Gross Block and other Capital Expenditure	419.44
(b) Increase in Working Capital	85.56
(c) Proposed Dividend (Including Dividend Tax)	1.10
	<u>506.10</u>



4. Working Results

The Inventory level at the close of last three years are shown below :-

	1994-95	(Rs. in crores) 1995-96	1996-97
Stores and Spares	3.06	3.12	3.54
Work-in-progress	0.07	0.09	0.10
	<u>3.13</u>	<u>3.21</u>	<u>3.64</u>

5. Sundry Debtors : Sundry Debtors vis-a-vis Sales in the last three years are given below :-

As at the end of/in	(Rs. in crores) Sundry Debtors	Sales during the year	Percentage of Sundry Debtors to Sales
1994-95	83.96	43.40	193%
1995-96	100.93	92.46	109%
1996-97	177.38	132.88	133.49%

Dated : Calcutta
The 9th September, 1997

(J. Chatterjee)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board - I
Calcutta.

ANNEXURE - IV

Directors' Report

INFORMATION AS PER SECTION 217 (A) OF THE COMPANIES ACT, 1956
 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) (AMENDMENT) RULES 1988
 PARTICULARS OF EMPLOYEES DRAWING RS. 25,000/- AND ABOVE PER MONTH. DURING 1996-97.

Sl. No.	Name & Designation	Nature of Employment	Remuneration Rs. P.	Qualification	Experience (Years)	Date of commencement of in Employment in NEEPCO	Age	Last employment (years) held designation and name the employment.
1	2	3	4	5	6	7	8	9
EMPLOYED THROUGHOUT THE YEAR								
1.	Shri L. Borah, Manager (Pers.)	Regular	3,02,833.55	M.S.W..Sp. in Pers & Mgt, Industrial Relation & Labour Welfare.	19	16.08.89	46	Manager, ITDC (6 yrs). Assam Cotton Mills (3 yrs). AIDC (2½ yrs)
2.	Shri I. P. Baruah, Manager, (Pers.)	Regular	3,71,086.83	M.A. (Social Works)	20	10.04.91	43	Dy. Manager (Personnel) HPC(4 yrs.)
3.	Shri N. Baruah, C.E (E),	Regular	3,86,549.10	B.E (E)	35	03.01.89	37	A.C.E. Design (Trans) ASEB
4.	Shri N. Bhattacharjee, Addl. C.E. (C)	Regular	4,09,308.72	B.E(C)	22	10.09.76	46	S.D.O. (Civil) (6 months) P. H. E. Govt. of Meghalaya.
5.	Shri P. Bhattacharjee, Sr. Manager (Pers.)	Regular	3,75,932.60	B. Sc., Post-Graduate/Dip. P. M.	12	23.07.86	44	Jr. Management Officer H. M. T.
6.	Shri R. R. Bharali, Exe. Engineer	Regular	3,25,261.00	Dip. (C)	22	24.07.76	44	Sub-Engr-Assam Govt Constrn. Corpn. Ltd. Guwahati
7.	Mrs. Sukla Biswas Sr. Medical Officer,	Regular	3,45,455.90	M.B.B.S.	23	02.07.90	53	Demonstrator of Anatomy, G.M.C. Guwahati.
8.	Shri B. Chakrabarty, A. A. O.	Regular	3,13,073.75	B.Com	20	25.01.77	40	-



9.	Shri B. C. Choudhury, S.E.(E)	Regular	3,40,267.64	B.E. (E)	23	15.10.79	48	A.E (EL), Uniam Power House, Sumer, MSEB.
10.	Shri D. N. Chakrabarty, Company Secretary & L.A.	Regular	3,42,694.98	M.Com.B.A., LLB, FCS, ACIS	35	25.04.90	57	Company Secretary, J.C.I. (2½ Yrs)
11.	Shri M. C. Chakrabarty, Adm. Officer	Regular	3,36,753.00	I.S.C.	40	16.03.81	57	O.S.C.E. Elec- tricity, Deptt. Govt. of Nagaland.
12.	Shri S. R. Choudhury, Manager (finance)	Regular	3,24,424.83	B.S.C., SAS-Pt-II	32	28.01.77	54	S.A.S. Division- al C.P.W. Div., Pasighat.
13.	Shri A. K. Deb Roy, Sr. P. R. Asstt.	Regular	4,56,834.19	B.A., B.T., Dip-in Public Relation	33	05.05.77	56	Asstt H. Master Lurpaning Vidyapith. Shillong.
14.	Shri Dhiren Dutta S. E. (C)	Regular	3,35,089.21	B.E. (C), AMIE	30	10.01.77	55	S.D.O. Assam P.W.D. (18 yr)
15.	Smti Kavita Devi Addl. C.E. (C)	Regular	4,14,800.48	B. E. (C)	22	25.01.77	47	S.D.O. (T.C) CPHE. Assam
16.	Smti. Mridula Das S. E. (C)	Regular	3,47,718.00	B.E. (C)	21	29.07.76	44	-
17.	Shri P. S. Dutta, Accounts Officer,	Regular	3,20,899.74	B.Com.	26	23.11.76	47	Acctt. in Shill- ong G.P.O. (3)
18.	Shri Swapan Kr. Das, Exe. Engineer.	Regular	3,13,055.75	B.E. (C)	15	19.04.82	38	-
19.	Shri Benu Gohain S. E. (E)	Regular	3,52,993.25	B.S.C. (Engg) (F)	27	01.12.76	53	-
20.	Shri J. Gogoi, S. E. (E)	Regular	3,26,469.50	B.E. (E)	27	21.11.90	53	E. E. ASEB.
21.	Shri P. K. Goswami, Manager (Security)	Regular	3,22,348.45	B.S.C.	21	22.08.79	43	S.I.Spl. Branch P.H.Q. Itanagar
22.	Shri R. K. Goswami Sr. Accounts Officer	Regular	3,25,370.00	B.A./B.T.	22	15.10.76	53	Auditor, A.G. Office Assam, Meg. etc. Shg.
23.	M.A.Halim Accounts Officer	Regular	3,10,094.10	B.Com., Inter Cost M.B.A	23	11.08.82	42	Cashier, L.I.C.I Hojai
24.	Shri S. N. Hazarika, S.E. (E)	Regular	3,23,077.05	B.E. (E)	28	24.08.79	51	A.O.C., Digboi (1 yr.) F.C.I., Guwahati (2yr) O.I.L. Duliajan
25.	Shri M. R. Karmakar, S.E. (C)	Regular	3,58,914.05	B.E. (M)	25	24.12.76	48	Engineer in Loktak H.E. Project (4.3 Months) Sr. Manager CCC-I, NHPC (17 Yrs.)
26.	Shri M. V. Kunjayappan, Chief Engineer (C)	Regular	3,96,620.84	B.S.C. (Engg.) M. I. E.	27	08.07.88	57	

NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED

27.	Shri H. Lyngdoh, Exe. Assistant	Regular	3,62,316.00	B.A. (Hons)	31	01.06.76	50	Steno -II, IGP, Meghalaya.
28.	Shri D. Mukherjee, S.E. (C)	Regular	3,73,593.53	B.E. (C)	19	02.03.78	43	-
29.	Shri B. K. Panda, Manager (Pers.)	Regular	3,42,505.43	B.S.C. (Hons) M.A./L.L.B	15	02.07.90	39	Asstt. Manager (P) Deptt. India Tourism. H.A.Officiat in ASEB.
30.	Shri L. R. Paswet Sr. A.O. (P&A)	Regular	3,67,403.00	H.S.L.C.	37	01.07.76	57	-
31.	Shri Debabrata Roy Sr. Accounts Officer	Regular	3,08,091.40	B.Sc	27	10.01.77	56	Acctt. M.C.C.L. Meg. Govt. Undertaking (5.3 months)
32.	Shri G. C. Singh, S.E.	Regular	3,20,081.00	B.E. (C)	18	14.03.80	40	-
33.	Shri Mohan Singh Sr. Manager (Pers.)	Regular	3,50,677.85	B.A. Post- Graduate in Labour Mgt.	25	31.01.83	50	-
34.	Shri N. N. Singh Director (Pers.)	Regular	3,38,696.00	B.A. (Hons), Eco., B.L., M.A. (L & SW)	31	26.07.91	53	DGM, BHEL, (4 yrs.)
35.	Shri P. K. Singh, S.E. (E)	Regular	3,00,565.40	B.E. (E)	15	15.03.83	39	A.E., ASEB. (10 months)
36.	Shri Ph. I. Singh, S.E. (E)	Regular	3,46,625.85	B.E. (E)	21	07.12.76	48	S.O. Electricity Department Trans, Consta. Divn. Manipur, Imphal.
37.	Shri P. Sharma, S.E. (C)	Regular	3,37,941.35	B.E. (C)	21	29.12.76	42	-
38.	Shri R. B. Sharma Purkayastha, Sr. Accounts Officer	Regular	3,71,216.12	B.Com.	21	12.76	53	Accountant, (3 Yrs.) Assam Gas Co. Ltd., Assam, Under- taking.
39.	Shri R. K. Sen, S.E. (C)	Regular	3,28,200.00	B.Sc.Engg. (C)	25	02.11.76	49	S.O. (Civil) CCW AIR, Shillong, 3.11 months).
40.	Shri U. S. Sengupta, Exe. Engineer	Regular	3,05,604.68	B.E. (C)	17	18.05.81	38	J.E(C) Pachag. H.P.C(12.3.81 to 16.5.81)
41.	Shri R. N. Tamuli, Addl. C. E (C)	Regular	3,21,640.55	B.E. (C)	30	31.01.77	55	A.E., P.W.D., (9 yrs.)
42.	Shri Jalal Uddin Borbhyan, S.E. (C)	Regular	3,54,362.55	B.E. (C)	22	30.07.76	48	A.E., P.W.D. Assam.
(B) EMPLOYED PART OF THE YEAR.								
1.	Late R. R. Deb Sr. Manager (Finance)	Regular	3,89,969.75	B.A., L.L.B., SAS.	34	18.07.78	57	S.O., A.G. Office, Assam, Meghalaya, etc Shillong.
2.	Shri T. N. Gopalakrishna, Dy. Chief Accounts Officer	Regular	3,47,428.55	B.Com., Chartered Acctt.	17	03.05.89	42	Deputy Mana- ger (F & A) NHPC Ltd.

NOTE : Remuneration includes, salary, allowances, payment for subsidised lease accomodation, leave encashment, leave travel concession, reimbursement of medical expenses to employees and employer's contribution to Provident fund and other funds. However it does not include the monetary value of the medical treatment provided in the Company's hospital/dispensaries of project site, since it cannot be quantified employee-wise.



ANNEXURE - V

Directors' Report

PARTICULARS AS REQUIRED UNDER THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988.

A. CONSERVATION OF ENERGY

1. Energy conservation measures taken :

- a) Adoption of combin cycle power system for gas power station at Kathalguri incorporating Waste Heat Recovery Boilers. An average of 10% improvement in efficiency will be achieved thereby saving fuel gas in large quantity.
- b) Introduction of high voltage distribution system for supply of construction power in the ongoing projects.
- c) Proper utilisation of the available water at Umrong and Khandong reservoirs are made by regulating the operation of the Power Station to meet the grid-demand.

2. Additional investment and proposal for reduction of consumption energy :

- a) With a view to reduce Power Energy in the distribution system, steps have been taken to reduce L. T. distribution to the minimum by introducing more transformers.
- b) Actions are also in progress to improve Power factor of the electrical load.

3. Impact of the above measures :

In addition to the overall economy to the Company, the regulated operation of the Power Station at Kopili and Khandong has resulted in achievement of high energy generation than the designed generation parameters.

B. TECHNOLOGY ABSORPTION :

NIL

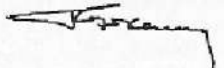
C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans :- NIL

2. Total foreign exchange used during 1996-97 :-

- | | |
|----------------------|-----------------|
| a) Consultancy | Rs. 3.30 Crores |
| b) Capital equipment | Rs. 8.22 Crores |
| c) Interest | Rs. 3.91 Crores |
| d) Others | Rs. 1.10 Crores |

For and on behalf of the Board of Directors


(P. K. KOTOKY)

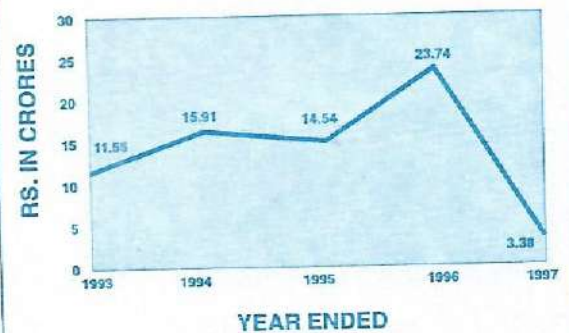
Chairman & Managing Director

Dated, Shillong
19th September '97

GROSS PROFIT : NET SALES



NET PROFIT



SUNDRY DEBTORS AS % OF SALES



SUNDRY DEBTORS

